KULP (Keeping Up with League Program) (As of March 7)

TRADE: "At rare moments in the life of this nation an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what it is we stand for. Such an opportunity is before us now. This bill, by enabling us to strike a bargain with the Common Market, will 'strike a blow for freedom.' "—*President Kennedy, Trade Message to Congress.*

House Ways and Means Committee begins hearings March 12 on "this bill," H.R. 9900, introduced by Committee Chairman Mills (D., Ark.). Hearings may continue for about seven weeks.

H.R. 9900 would grant authority to the President to negotiate over a 5-year period on broad categories or subcategories of products 1) *with all U. S. trading partners*: reduction of existing duties by 50 percent; elimination of tariffs on products dutiable at rate of 5 percent or less; 2) *with the Common Market (EEC)*: elimination of tariffs on products within categories in which United States and EEC together account for 80 percent or more of world exports; reduction or elimination of tariffs on certain agricultural products which do not meet 80 percent "dominant supplier" rule, provided President finds such action will tend to maintain or expand U. S. farm exports; reduction or elimination of duties on any tropical agricultural or forest commodity if EEC agrees to take similar action and if United States does not produce commodity in significant quantities. All negotiated tariff reductions would be applied gradually over the 5-year-period and would be extended to all our trading partners under the most-favored-nation principle.

Bill provides for special "reserve list" of products on which no trade agreement may be negotiated. List would include any product on which Escape Clause or National Security action has been taken. President would be empowered to add other products to list.

Bill proposes revised Peril Point and Escape Clause procedures. Preliminary to negotiations, President would ask Tariff Commission to advise him of economic effects of reduction or elimination of tariffs on submitted list of products or categories of products. Tariff Commission would have up to six months to report, pointing out "peril" in negotiations to come—but without establishing "point" or floor under which concessions could not be granted, as is done under present law.

The proposed Escape Clause provision would make tariff increases or other import restrictions available to an industry *only when adjustment assistance was proved inadequate to meet the industry's problem.* National Security provisions of present law would be continued, i.e., industries essential to national security would be protected from undue import competition.

Trade adjustment assistance would be available to business firms, workers, and farmers if increased imports due to tariff reductions were determined to have caused injury. After receiving advice from Tariff Commission, President would be authorized to determine type of assistance. Assistance could include 1) *for business firms and farm enterprises*: technical aid; tax benefits to encourage modernization and diversification; loan guarantees or loans not commercially available; 2) *for workers*: compensation for complete or partial unemployment; retraining for other work; relocation allowances.

Some controversy will center around an attempt to give Congress veto power over presidentially negotiated agreements. The Administration has said that such veto power would make it almost impossible for U. S. negotiators to bargain with the Common Market. Proponents claim that the proposal to let Congress veto agreements within 60 days would preserve the constitutional prerogative of Congress to "regulate commerce." The Administration counters with the argument that the proposed trade bill provides clear and precise standards for use of the authority delegated to the President, and that the bill so well defines the intent of Congress "as to avoid the need for congressional scrutiny after the fact," i.e., after negotiations.

U. N. BONDS: Senate Foreign Relations Committee concluded public hearings February 19 on S. 2768, to authorize purchase by United States of half of a $200 million United Nations bond issue. The bond issue is designed to enable U. N. to meet a financial crisis caused by failure of some members to pay special assessments for peace-keeping operations in Middle East and Congo. Committee is expected to report bill sometime in March.

WATER RESOURCES: The President in his March 1 Conservation Message to Congress again urged passage of the Water Resources Planning Act (S. 2246 and H.R. 8711) to authorize federal grants-in-aid to assist states in water-resource planning; to establish river-basin commissions representing state and national views to prepare and keep up to date coordinated and integrated basin plans; to establish Water Resources Council of key Cabinet officers to coordinate federal river-basin planning and development. Senate Interior and Insular Affairs Committee heard testimony March 2 from Secretary of Interior Udall and others. The Secretary gave bill unqualified support. Council of State Governments supported its objectives but suggested changes to safeguard state interests.

INDEX

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